

LAW DEPARTMENT
DRAFT NO. 0026

AN ORDINANCE FOR THE PURPOSE OF ADOPTING A CREDIT CARD POLICY FOR THE CITY OF WARREN, OHIO, AND DECLARING AN EMERGENCY.

12938/2020

WHEREAS, entities utilizing credit cards are required to put formal credit card policies and procedures in place meeting the requirements of Ohio House Bill 312; and

BE IT ORDAINED by the Council of the City of Warren, State of Ohio:

Section 2: That this Council finds and determines that all formal actions of this Council relating to the adoption of this Ordinance have been taken at open meetings of this Council; and that deliberations of this Council and of its committees, resulting in such formal action, took place in meetings open to the public, in compliance with all statutory requirements including the requirements of Section 121.22 of the Ohio Revised Code.

Section 3: That this Ordinance is hereby declared to be an emergency measure necessary for the health, safety and welfare of residents of the City of Warren, Ohio, and for the further reason that it enables the City of Warren, Ohio to implement a Credit Card Usage Policy for City of Warren employees to comply with Ohio Law. WHEREFORE, this Ordinance shall go into immediate effect and be in force from and after the earliest period allowed by law.

Passed in Council this 6TH day of MAY, 2020.

ATTEST: *[Signature]*
Clerk

FILED WITH THE MAYOR:

DATE APPROVED:

MAYOR, CITY OF WARREN, OHIO

ncil Clerk

OR: 5-6-2020

5-6-2020

[Signature]

RREN, OHIO

BARTOLD
WHITE
BROWN
STENDECK
BUCKER
GRAHAM

EXHIBIT "A" TO DRAFT NO. 0026

CITY OF WARREN, OHIO CREDIT CARD ACCOUNT POLICIES AND PROCEDURES

PURPOSE

The Council of the City of Warren, Ohio, established a Credit Card Account Policy per the Ohio Revised Code as amended by House Bill 312. This policy and procedures are intended to ensure that appropriate internal controls are established within each department procuring with credit card accounts so that they are used for authorized purposes only.

SCOPE

As used in this policy and procedures, "Credit card account(s)" means any bank issued credit card account, store-issued credit card account, financial depository issued credit card account, affinity credit card account, or any other card account allowing the holder to purchase goods or services on credit or to transact with the account, and any debit or gift card account related to the receipt of grant moneys. "Credit Card Account(s)" does not include a procurement card account, gasoline or telephone credit card account, or any other card account where merchant category codes are in place as a system of control for the use of the card account. This policy strictly prohibits the use of debit card accounts for any purpose other than law enforcement purposes and debit accounts related to the receipt of grant money.

CUSTODY AND CONTROL MODEL

The City of Warren shall operate this Policy under a custody and control model. The custody and control model is a system in which the fiscal officer maintains physical control over all credit cards of the entity and may use a system requiring the cards to be "signed out" by authorized, designated users. Entities utilizing the custody and control model should establish the following items in their policies:

1. Who the authorized, designated users are,
2. A reasonable length of time the card(s) is allowed to be out of the control of the fiscal officer for the transactions(s) to be completed, and
3. The procedures that should be followed to submit itemized receipts, as well as any other entity specific requirements that would fit the needs of a political subdivision.
4. An officer or employee is liable in person and upon any official bond the officer or employee has given to the political subdivision to reimburse the treasury for the amount for which the officer or employee does not provide itemized receipts in accordance with the credit card policy.

OFFICERS AND POSITIONS AUTHORIZED TO USE A CREDIT ACCOUNT

1. Mayor
2. Director of Public Service and Safety
3. Auditor

TYPES OF EXPENSES

Prohibit Expenses:

The following purchases are strictly prohibited:

1. Alcoholic beverages
2. Personal purchases
3. Cash advances
4. Items or services on term contracts unless approved by the Auditor
5. Utility Payments
6. Personal Phone and Wireless Services
7. Maintenance agreements unless approved by the Auditor
8. Purchases not related to the business of the City of Warren.

Allowed Expenses:

1. Travel/Training- Expenditures related to travel and training such as registration, accommodations, parking, meals, and airline tickets.
2. Supplies- If not available through a purchase order or in emergency situations. Food for group events or for emergency situations.

3. Other City related expenses that are not prohibited above.

Parking Charges

1. Parking charges will only be covered with a receipt stating the charge.
The date on the parking receipt must match the approved travel dates on the Travel/Training form.

PROCEDURE FOR ACQUISITION, USE AND MANAGEMENT OF A CREDIT CARD ACCOUNT

ACQUISITION OF AN ACCOUNT

The procedure for establishing a credit card account or a store-issued credit card account is as follows:

- 1) Only the Mayor, Director of Public Service and Safety or the City Auditor may request to open a credit card account or a store issued credit card account.
- 2) The Auditor is responsible for processing the application, including signing the application and assigning the credit limit.
- 3) The name of the City of Warren must appear on each presentation instrument related to the account including all cards and checks.

USE AND MANAGEMENT OF AN ACCOUNT

- 1) Before any purchases are made, the Auditor should verify that a purchase order has been approved for the related expenses. If the card will be used for travel and registration, a Travel/Training Expense form must be approved.
 - 2) Every effort should be made to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the Auditor's office. Sales tax may be paid for minimal expenditures from one-time vendors who refuse the exemption, but sales tax should not be paid where the purchases are for more substantial expenditures. The official may be personally responsible for payment of sales tax. Exceptions will be made for online vendors who do not recognize our tax-exempt status.
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- 3) The Mayor, Director of Public Service and Safety and the City Auditor are responsible for all charges made to the card. Detailed itemized receipts for each charge on the account must be retained and attached to the voucher. A printed copy of the completed online purchase must be provided for all online purchases.
- 4) Detailed receipts must be retained. Failure to provide receipts will result in the employee's responsibility for the charges.
- 5) Monthly statements will be sent to the Finance Department, and Warren City Council upon written request.
 - a) Upon receipt of the statement the receipts will be matched to the detailed charges and vouchered per the Auditor's office vouchering procedure.
 - b) Any items that do not have a receipt will be the personal responsibility of the card user.
 - c) Bills will be vouchered and paid in a timely manner to not incur late charges/fees.
 - i) If late fees are incurred, it is the responsibility of the Auditor to request the charges removed.
 - ii) The payment of late fees on habitually tardy bills will become the responsibility of the Auditor.
- 6) Card statements are reviewed monthly by the Auditor's office upon request for unauthorized charges and other discrepancies.

REISSUANCE- Lost or stolen cards will be reviewed for reissuance based on circumstances.

REPORTING LOSS OR STOLEN CARD

Lost or stolen cards must be immediately reported to the Auditor. Once reported, the Auditor will call the bank or store, to report the card as lost or stolen.

MAXIMUM CREDIT LIMIT

Credit card limits should not exceed \$5,000.00.

INCENTIVE PROGRAMS/REWARDS

Any incentives/rewards derived by the use of the City's credit card will be the property of the City of Warren, Ohio. All incentive/rewards must be reported to the Auditor quarterly.

State Auditor Reporting

Annually the Auditor's Office shall file a report with the Auditor of State detailing all rewards received by the City based on the use of a credit card account.

(The Auditor of State shall promulgate rules detailing the manner in which a city shall report to the Auditor of State rewards received by the city for the use of a credit card account.)

CITY OF WARREN, OHIO
CREDIT CARDHOLDER AGREEMENT

Requirements for use of a Municipal Credit Card (including store credit):

- 1} The credit card is to be used only to make purchases at the request of, and for the legitimate business benefit of, The City of Warren, Ohio.
- 2} The credit card must be used in accordance with the provisions of the Credit Card Policy and Procedures established by the City of Warren, Ohio, as attached hereto.

Violations of these requirements may result in revocation of use privileges. Employees found to have inappropriately used the credit card will be required to reimburse the City of Warren, Ohio for all costs associated with such improper use through direct payment or payroll deduction. Disciplinary action(s) may be taken up to and including termination. The City of Warren, Ohio will investigate and commence, in appropriate cases, criminal prosecution against any employee found to have misused the credit card or who violates the provisions of the cardholder agreement.

Credit Card Account Number: _____

Received by: _____

NAME (Please Print)

I acknowledge receipt of the attached Credit Card Policy and Procedures and agree to abide by said Policy and Procedures.

Signature: _____

Date: _____

(Below, for City Use Only)

CREDIT CARD RETURNED

Authorized Signature: _____